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Australia

Trade Policy Monitoring

Australian FTA with Gulf States

2006

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Report Highlights:

Australia will investigate a free trade agreement with the six nations of the Gulf Co-operation Council (GCC) - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. Total 2005 Australian agricultural exports to the countries in the GCC reached \$804 million. Leading categories included: live animals (\$187 million), dairy products (\$178 million), cereal products (\$168 million), and meat products (\$156 million).

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Canberra [AS1]
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Australia will investigate a free trade agreement with the six nations of the Gulf Co-operation Council (GCC) - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, the Deputy Prime Minister and Minister for Trade, Mark Vaile, has announced.

The Gulf Co-operation Council's (GCC) has expressed interest in the negotiation of a GCC-wide free trade agreement. This followed a decision by the United Arab Emirates (UAE) that the Australian bilateral FTA negotiations with them be incorporated into wider GCC considerations.

"The GCC is an important and growing market for Australia with exports worth \$A4.1 billion in 2005," Mr Vaile said.

"The GCC as a whole is a major market for Australian exports, roughly equivalent in size to other key markets such as the United Kingdom, Singapore or Thailand.

"I remain committed to expanding our strong and growing economic and trade relations with the region as a whole and we will look closely at using the good progress we made in the UAE negotiations to advance our export interests through a possible GCC wide agreement," Mr. Vaile said.

To this end Mr. Vaile had instructed officials from the Department of Foreign Affairs and Trade to undertake an analysis of the economic and trade implications of an FTA with the GCC as a whole.

Background: Australia, a champion of multilateral negotiations on liberalizing world agricultural trade, has of late been much more active in pursuing bilateral free trade agreements (FTAs). In addition to Australia's long-standing Closer Economic Relations agreement with New Zealand that went into effect in 1983, Australia now has comprehensive free trade agreements with the United States, Thailand, and Singapore, and is currently negotiating FTAs with China, ASEAN (with New Zealand), and Malaysia. Further, Australia is conducting a feasibility study of an FTA with Japan.

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